

Retirement Questions and Answers

Q1 If I elect severance pay during the RIF, can I still retire prior to my separation date? Can I still retire at a future date (e.g. 5 or 10 years later)?

Answer: IF an employee is eligible to retire, they cannot elect severance pay. Deferred Retirement is an option one can take at age 62; however, deductions for age, etc. would be based upon the action taken at the time of separation and would not change over the intervening time period.

Q2 If an "early" retirement eligible employee registers for the Priority Placement Program (PPP), is offered a position at another location, but declines the offer, can he/she retire at that time?

Answer: Yes, "early" retirement eligible employees can retire after declining a PPP offer.

"If otherwise eligible, the following employees may also register for PPP:

"Employees who file for Discontinued Service Retirement (DSR) AFTER a receipt of a specific RIF separation notice, written declination of a Transfer of Function (TOF) out of the commuting area, or written declination of a management-directed reassignment, provided that registration precedes the date of retirement. This includes employees eligible for optional retirement who elect to file for DSR."

Q3 Can early retirement be taken after Reduction-in-Force (RIF) letters are issued?

Answer: Early retirement can be taken either before or after RIF letters are issued.

Early retirement can be taken "before" RIF letters are issued. After the initial CA decision is made, early retirement (VERA - Voluntary Early Retirement Authority) will be offered to most employees affected by the CA decision. If the decision is to contract-out, most employees adversely affected (e.g. downgrades, job abolishment, etc) will be offered VERA. Some employees may be moved to other jobs during the RIF process without being adversely affected and may not receive a VERA offer. If the decision results in an in-house win, then fewer employees will be offered VERA. In order to qualify for early retirement, you must be 50 years old and have a minimum of 20 years federal service or have 25 years of service at any age under the Civil Service Retirement System (CSRS). For early retirement under the Federal Employees Retirement System (FERS), employees should contact CPAC at extension 32247 to determine the qualification requirements. There may also be Voluntary Separation Incentive Pay (VSIP) or a cash payment offered as an incentive for employees to retire or leave the government. If offered, the VSIP may be granted to both VERA qualified employees and to employees who do not meet VERA requirements, such as individuals who elect to resign.

Early retirement can be taken "after" RIF letters are issued. If you are scheduled for involuntary separation by RIF or a downgrade of more than two grades, you may be entitled to an immediate annuity through Discontinued Service provisions under CSRS or FERS. After RIF letters are issued, you may be downgraded to a new position or offered another position in the USAG. If you decline the offer, you will be offered a Discontinued Service Retirement (DSR) if you meet the early retirement age and year requirements under CSRS or FERS. If you are not offered another position under the RIF, you will be offered a DSR if you meet the early retirement age and year requirements. However, you cannot receive a VSIP (separation or retirement with incentive pay/money) if you elect retirement after RIF letters are issued.

Q4 What are the age requirements for Optional Retirement?

Answer:

CSRS:

Age 55 with 30 years service
Age 60 with 20 years service
Age 62 with 5 years service

FERS:

MRA* with 30 years service
Age 60 with 20 years service
Age 62 with 5 years service (MRA with 10 years service)**

* MRA= Minimum Retirement Age (The MRA is your age at the earliest date you are eligible to retire and is based on the year of your birth - see chart below.)

** The FERS "MRA plus 10" retirement is allowed when an employee meets their minimum retirement age and has at least 10 years of service. There is a reduction of 5% for each year the employee is under age 62.

MINIMUM RETIREMENT AGE BREAKDOWN (MRA)

Year You Were Born:	Your MRA
Before 1948	55 years
1948	55 years, 2 months
1949	55 years, 4 months
1950	55 years, 6 months
1951	55 years, 8 months
1952	55 years, 10 months
1953 to 1964	56 years
1965	56 years, 2 months
1966	56 years, 4 months
1967	56 years, 6 months
1968	56 years, 8 months
1969	56 years, 10 months
1970 and after	57 years

If you are entitled to an immediate or early deferred benefit at the MRA with 10 or more years service and elected to transfer to FERS from CSRS, the age reduction applies to both the CSRS component and the FERS component of your annuity.

Q5 What are the age requirements for Early Retirement (VERA or Discontinued Service)?

Answer: CSRS & FERS: Age 50 with 20 years service; any age with 25 years.

CSRS Note: There is a 2% reduction for each year an employee is under age 55. See Answer to Question 22 for FERS information.

Q6 If I am in CSRS, can I roll over my plan to FERS?

Answer: No. There was a six month period (1 Jul to 31 Dec 98) when employees could have transferred to FERS, but that enrollment period is over.

Q7 Can I receive a lump sum retirement payment?

Answer: You can withdraw your retirement in a lump sum if you are not eligible to retire. A refund application will be mailed to you in your separation packet if you are eligible to withdraw your retirement. Employees who retire will receive a monthly retirement benefit and are not eligible to withdraw their retirement in a lump sum.

Q8 Do I get to keep my health benefits under all retirement scenarios, e.g. VERA?

Answer: You can transfer your health benefits into retirement as long as you have been enrolled in the Federal Employees Health Benefits Program for at least 5 years. There is one exception: employees who retire with a VERA or VSIP can keep their health insurance even if they have less than the 5 years, but they must have been enrolled as of 1 Oct 96.

Please contact your CPAC Servicing Specialist for information regarding your personal situation.